



United States
Department of
Agriculture

JUL 10 2000
Forest
Service
Utah Div. Of Corp. & Comm. Code

Manti-La Sal
National Forest

Supervisor's Office
599 West Price River Drive
Price, UT 84501
Phone # (435) 637-2817
Fax # (435) 637-4940

File Code: 2820-4

Date: July 6, 2000

Mary Ann Wright
State of Utah Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah

Dear Mary Ann:

*Fax letter to PFO
Incoming
ACT/015/018*

We consent to approval of the helicopter coal exploration drill hole in Mill Fork Canyon on State Lease ML-48258 by the Division of Oil, Gas and Mining. A Forest Service special-use permit was issued to Energy West authorizing surface occupancy of National Forest System lands for the project. A copy of the Forest Service Decision Memo and special-use permit are enclosed for your information. Energy West must comply with all terms and conditions of the special-use permit regarding all surface operations. No additional bond is necessary since SITLA will retain adequate bond for both surface and down-hole reclamation. Work on the project may begin upon receipt of this letter and approval of the proposal by the Division.

If you have any questions, contact Jeff DeFreest (Ferron/Price District Geologist) at the Forest Supervisor's Office in Price, Utah.

Sincerely,

For
ELAINE J. ZIEROTH
Forest Supervisor

Enclosures

cc:
D-2/3(Jeff DeFreest)
Tom Faddies, SITLA
Dick Manus, BLM Price Field Office

MEL:cr:gr:07062000

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JUL 11 2000

DIVISION OF
OIL, GAS AND MINING



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Utah Div. Of Corp. & Comm. Code

Decision Memo**Pacificorp-Energy West Mining Company
Coal Exploration 2000
Right Fork of Rilda Canyon**

USDA Forest Service, Intermountain Region
Manti-La Sal National Forest
Ferron-Price Ranger District
Emery County, Utah

I. INTRODUCTION

The Forest Service has evaluated a proposal submitted through the Bureau of Land Management (BLM) by Energy West Mining Company, a subsidiary of PacifiCorp. The proposal consists of two parts: a coal exploration plan for drilling on currently leased lands (Federal Coal Lease U-06039), and an exploration license (assigned number UTU-78762) for drilling off existing Federal leases.

Energy West proposes to conduct this "helicopter assisted minor coal exploration surface drilling program" during the 2000 field season. The project will consist of a row of 5 shallow core holes drilled in the Right Fork of Rilda Canyon to analyze potential access routes (subsurface) from PacifiCorp's existing Federal Coal lease U-06039 to the Mill Fork State Lease ML-48258. Two of the five holes in Rilda Canyon will be completed within Federal Coal Lease U-06039. Three will be within unleased Federal coal located between Federal Coal Lease U-06039 and State Coal Lease ML-48258. A 6th site (hole) was added on the Mill Fork State Lease ML-48258 to access resources on the leased state tract.

Drilling for all holes is proposed for the 2000 Field Season, commencing in mid- July 2000, and is proposed to be helicopter supported, thus causing minimal surface impact. No road construction is proposed. Any disturbance will be properly reclaimed and seeded.

Legal Description: Ten miles northwest of the town of Huntington, T.16S.,R.6E.,Sec: 24; T.16S.,R.7E.,Sec: 19, T.16S.,R.6E.,Sec: 12, SLM, Utah.

DECISION TO BE MADE

The Forest Service decision is whether or not to consent to the approval of the coal exploration plan and license by the BLM and Utah Division of Oil, Gas and Mining (UDOGM).

FOREST PLAN

The Forest Plan identifies the area as being managed for range maintenance or enhancement (RNG). The Recreational Opportunity Spectrum is semi-primitive motorized to roaded natural appearing and the Visual Quality Opportunity is modification. The project scope is within these parameters and is in an inventoried roadless area. No roads are to be constructed. All work is helicopter assisted and therefore, will not affect the roadless character of the area.

II. DECISION

I have decided to consent to the coal exploration plan and coal exploration license under the Mineral Leasing Act of 1920, as amended; Surface Mining Control and Reclamation Act of 1977; and Federal Regulations contained in 30 CFR 700 to end.

It is my determination that this decision may be categorically excluded from preparation of an Environmental Assessment (EA) or Environmental Impact Statement (EIS) under Forest Service Handbook 1909.15, Chapter 30, Section 31.2(3) "Approval, modification, or continuation of minor special use of National Forest System lands that require less than five contiguous acres of land." This category was determined appropriate because the area affected by this decision is short term (although proposed for two (2) years) with little disturbance. No impacts to surface resources or hydrology are anticipated, and surface uses would remain essentially the same.

The proposal, as submitted, would provide adequate protection of Forest resources. The proposal is consistent with all Forest Plan requirements. Standard Forest stipulations are attached.

My decision will be implemented via transmittal of this Decision Memo and by a consent letter to the BLM. A special use permit and road use permit will be issued to authorize surface occupancy on the Mill Fork lease tract (state of Utah coal, Lease ML-48258).

III. DECISION RATIONALE

This decision was made after careful consideration of the proposal, public involvement, and the entirety of the supporting record. No one fact or single piece of information led to the decisions. Rather, a combination of factors contributed to it. The key considerations are discussed in the following sub-parts.

Attainment of Agency Goals:

The general purpose and need for this project is to accomplish the following goal of the Forest Plan: "Provide appropriate opportunities for and manage activities related to locating, leasing, development, and production of mineral and energy resources," (Forest Plan, p. III-4). Another related goal of the Forest Plan is: "Manage geologic resources, common variety minerals, ground water, and underground spaces (surficial deposits, bedrocks, structures, and processes) to meet resource needs and minimize adverse effects."

The project-specific purpose and need of the proposed action is to provide for geologic coal information and data necessary for the monitoring of surface water resources, and the relationship of water resources to development of the coal resource and providing information for protecting natural resources of the National Forest consistent with Forest Service policy and Forest Plan direction.

The decision wholly meets the project's purpose and need.

Absence of Extraordinary Circumstances:

Existing resource conditions and potential extraordinary circumstances have been considered in making the decisions.

Steep slopes or highly erosive slopes. The proposed drilling areas are located away from steep slopes and highly erosive slopes as much as possible.

Threatened and endangered species or their critical habitat- A Biological Assessment and Biological Evaluation (BA/BE) was prepared and signed on April 18, 2000 and a supplemental BA/BE was signed on May 15, 2000 for the additional hole added in Mill Fork Canyon. It was determined that the project will have no effect on wildlife species or habitat. The BE identified spotted bats and Townsend's big-eared bats as "May impact individuals or habitat, but will not likely contribute to a trend towards federal listing or loss of viability to the population or species."

Floodplains, wetlands, or municipal watersheds- Very little earth disturbance will occur for each drill site. There will be permitted water use of approximately 20,000 gallons of water per hole pumped from Mill Fork Creek or Rilda Creek. A "Temporary Exchange Application" will be filed and approved with the State of Utah Water Rights Division. Total use of water is 0.06 acre feet for all holes. There should be no effect on the floodplain or wetland.

Congressionally designated areas, such as wilderness, wilderness study areas, or National Recreation Areas- There are no wilderness, wilderness study areas, or National Recreation Areas in or around the project area. The nearest wilderness area is the Nebo Wilderness located on the Uintah National Forest approximately 50 miles to the northwest.

Inventoried roadless area- The project area is within an inventoried roadless area. Project activities will have no effect on the inventoried roadless area since no road construction or road access is required. Permittee has valid existing rights to conduct reasonable exploration drilling for lease.

Research Natural Area- The project area is not located within any Research Natural Areas (RNAs). The nearest RNAs are Nelson Mountain, west of Ferron, Utah, and Elk Knoll in Manti Canyon. The Mont Lewis Botanical Area is located approximately 18 miles to the west of the project area.

Native American religious or cultural sites, archeological sites, or historic properties or areas- Archaeological consultation was conducted with the Forest Service by Energy West. It was determined that there is extremely low potential for cultural artifacts based on past cultural surveys in this area and the rugged steep slopes of the area. Consultation with Native American groups has disclosed no religious or cultural sites.

Relationship to Public Involvement:

Public comments were sought by letter (March 16-30, 2000) and by legal notices in the Sun Advocate Newspaper (March 16, 2000) and Emery Progress Newspaper (March 21, 2000). All comments were considered throughout the planning process for this project. After hearing a description of the project activities, three parties replied. The USFWS responded by letter dated April 5, 2000. They had no comments to offer. A letter dated March 29, 2000 from the Utah Environmental Congress (UEC) raised concerns about the project regarding "roadless character", wildlife effects to eagle nests, calving areas, water quality and the future effects - from coal mining. Likewise, the Wild Utah Forest Campaign (WUFC) responded by letter dated April 10, 2000 and expressed concerns over drilling in a "defacto wilderness area" even though no roads were being built. Refer to project file.

On April 19, 2000 Energy West Mining Company held a meeting with the Forest Service and proposed an additional helicopter supported drill hole north of the existing 5 proposed sites. It was decided to meet with UEC and WUFC, the two parties that responded with concerns about the project. The purpose was to discuss their concerns as well as disclose the amendment of the proposal to include the 6th drill hole located in Mill Fork Canyon.

Energy West arranged a meeting in Salt Lake City on April 26, 2000 with UEC and WUFC. The Wild Utah Forest Campaign representative failed to attend the meeting as previously arranged. Chuck Semborski of Energy West Mining Company and Jeff DeFreest (Forest Service) discussed the concerns identified by UEC at the meeting. Jeff DeFreest explained to UEC that no surface facilities or roads would be built as a result of this proposal. Future proposals/actions involving surface facilities or roads would require further environmental analysis. Craig Axford (UEC) seemed satisfied with the project parameters of the drilling.

On April 28, 2000, Will Wilson contacted USFWS and WUFC and left messages explaining the addition of the sixth drill hole to the project. Neither party returned his calls.

IV. PUBLIC INVOLVEMENT

Internal scoping (specialists review) was conducted from March 16-30, 2000. No concerns were received. Public scoping consisted of sending twenty-five (25) letters to interested parties by mail. This is a partial list of the individuals, groups, and agencies contacted: Val Payne, Emery County Public Lands Advisory Board; Susan Ash, Wild Utah Forest Campaign; Craig Axford, Utah Environmental Congress; Chris Colt, Utah Dept. of Wildlife Resources; Menco Kopinga, North Emery Water Users Association; Marklyn Chee, Navaho Nation; Steve Denzack, Utah Division. of Oil, Gas, and Mining; Lee Jeffs, East Mountain C&H permittee, Huntington-Cleveland Irrigation Company; Gail Rollo, and Southern Paiute Nation.

V. FINDINGS REQUIRED BY OTHER LAWS AND REGULATIONS

To the best of my knowledge, the decision complies with all applicable laws and regulations. Below is the association of the decision to some pertinent legal requirements as summarized:

National Forest Management Act of 1976: The Forest Plan was approved November 5, 1986, as required by this Act. This long-range land and resource management plan provides guidance for all resource management activities in the Forest. The National Forest Management Act requires all projects and activities to be consistent with the Forest Plan. The Forest Plan has been reviewed in consideration of this project. The decision will be consistent with the Forest Plan.

Coal Leasing Amendments Act of 1975: Forest Service consent to approval of mining operations by the Utah Division of Oil, Gas and Mining (including conditions for protection of non-coal resources) is required under this act. Approval of this decision memo constitutes my consent to UDOGM.

Surface Mining Control and Reclamation Act of 1977(SMCRA): This act gives the Department of the Interior, Office of Surface Mining (OSM), primary responsibility to administer programs that regulate surface coal mining operations and the surface effects of underground coal mining operations. Pursuant to sections 503 and 523 of SMCRA, under the oversight of the OSM, the Utah Division of Oil, Gas and Mining regulates surface coal mining and the surface effects of underground coal mining on Federal and non-Federal lands within the State of Utah. On National Forest System lands, consent must be obtained from the Forest Service, as the surface management agency, prior to approval of mining activities, including exploration drilling. Approval of this decision document constitutes my consent.

Federal Land Planning and Mangement Act- The decision is consistent with FLPMA.

National Historic Preservation Act: The proposal would not result in any impacts to cultural or historic resources. (project file)

Endangered Species Act: The Biological Assessment/Biological Evaluation has disclosed that this project will not result in impacts to threatened, endangered, or sensitive animal or plant species.

National Environmental Policy Act: The entirety of documentation for this project supports that the project analysis complies with this Act.

VI. IMPLEMENTATION DATE AND APPEAL OPPORTUNITY

Implementation of the decision may occur immediately upon my signature of this document.

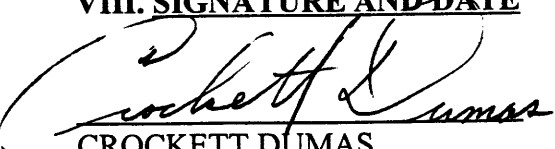
This decision is not subject to appeal pursuant to 36 CFR 215.

This decision is subject to appeal pursuant to 36 CFR 251.82. Notice of appeal must be postmarked or received by the Appeal Reviewing Officer within 45 days of the date of this decision. A notice of appeal, including the reasons for appeal, must be filed with the Regional Forester, Intermountain Region, Federal Building, 324 25th Street, Ogden, Utah 84401. A copy of the notices must be filed simultaneously with the Forest Supervisor, Manti-La Sal National Forest, 599 West Price River Drive, price, Utah 84501. Appeals must meet the content requirements of 36 CFR 251.90.

VII. CONTACT PERSON

For additional information concerning the Forest Service decision, please contact Will Wilson at the USDA Forest Service, Manti-La Sal National Forest (address: P.O. Box 310 Ferron, UT 84501; telephone: 435-384-2372).

VIII. SIGNATURE AND DATE


CROCKETT DUMAS
Acting Forest Supervisor
Manti-La Sal National Forest


Date

Attachment: Forest Stipulations #1- 46, Appendix A

Cc: Steve Denzack, DOGM
Jim Cooper, SITLA
Chuck Semborski, Pacificorp

**Energy West Exploration 2000
Special Use Permit for drill hole on State of Utah
Lease # ML-48258 (Mill Fork Tract)
And Mill Fork Road Use Permit
Stipulations**

APPENDIX A

STIPULATIONS

Stipulations to be included in the Coal Drilling Permit/License

1. A pre-work meeting including the responsible company representative(s), contractors, and the Forest Service must be conducted at the project location prior to commencement of operations. Site-specific Forest Service requirements will be discussed at this time.
2. A Road Use Permit must be obtained from the Forest Service before equipment is transported onto National Forest System lands. The location of new roads is subject to Forest Service review and approval. No construction may begin prior to approval. Any modifications or changes to approved locations are also subject to review and approval.
3. All surface disturbing activities including reclamation must be supervised by a responsible representative of the permittee/licensee who is aware of the terms and conditions of the projects permits/licenses. A copy of the appropriate permits/licenses must be available for review at the project site and presented upon demand to any Forest Service official.
4. The Forest must be notified 48 hours in advance that heavy equipment will be moved onto National Forest System lands and that surface disturbing activities will commence.
5. Establishment of campsites and staging areas on National Forest System lands in support of this project is subject to Forest Service approval.
6. The Forest Service must be notified of any proposed alterations to the plan of operations. Any changes to the existing plan are subject to Forest Service review and approval.
7. Fire suppression equipment must be available to all personnel working at the project site. Equipment must include at least one hand tool per crew member consisting of shovels and pulaskis and one properly rated fire extinguisher per vehicle and/or internal combustion engine.

8. All gasoline, diesel, and steam-powered equipment must be equipped with effective spark arrestors or mufflers. Spark arresters must meet Forest Service specifications discussed in the "General Purpose and Locomotive (GP/L) Spark Arrester Guide, Volume 1, April, 1988"; and "Multi-position Small Engine (MSE) Spark Arrester Guide, April, 1989". In addition, all electrical equipment must be properly insulated to prevent sparks.
9. The permittee/licensee will be held responsible for damage and suppression costs for fires started as a result of operations. Fires must be reported to the Forest Service as soon as possible.
10. The Forest Service reserves the right to suspend operations during periods of high fire potential.
11. Water needed in support of operations must be properly and legally obtained according to Utah State water laws. The location of diversions, if on National Forest System lands, are subject to Forest Service review and approval. Water diversion structures, if needed, must be constructed as specified by the Forest Service.
12. Unauthorized off-road vehicular travel is prohibited.
13. Section corners or other survey markers, including claim corners, in the project area must be located and flagged for preservation prior to commencement of surface disturbing activities. The removal, displacement, or disturbance of markers must be approved by the proper authority. Replacement will be done by the proper authority at the expense of the permittee/licensee.
14. If cultural or paleontological resources are discovered during operations, all operations which may result in disturbance to the resources must cease and the Forest Service must be notified of the discovery.
15. Gates must be closed after entry unless otherwise specified.
16. The permittee/licensee will be held responsible for all damage to fences, cattleguards, resource improvements, roads, and other structures on National Forest System lands which result from their operations. The Forest Service must be notified of damages as soon as possible.
17. Operations must be coordinated with grazing permittees to prevent conflicts.
18. Harrassment of wildlife and livestock is prohibited.
19. Topsoil must be stripped from areas occupied by parked vehicles and mud pits and stockpiled for use during reclamation. Topsoil stockpiles will be located to minimize contamination or loss. Rock material will be stockpiled seperately.

20. Drill pads will be designed to prevent or diminish overland flow from entering the site during precipitation events. Pad sites will be sloped to drain all spills and on-sites precipitation into the mud pits. If necessary, pits will be pumped out to reduce their content and insure that overflow does not occur. Fluids will be disposed off Forest at a Utah State approved disposal site.
21. All drilling fluids, mud and cuttings must be contained on the project site in mud pits or portable containers. The pit must not be used for disposal of garbage, trash or other refuse. Unattended pits will be fenced to keep out livestock and wildlife.
22. During the drilling operations all trash, garbage and other refuse must be properly contained on the project site prior to disposal at authorized sites.
23. All significant water encountered during drilling must be reported to the Forest Service, including the depth and formation at which it was encountered, and an estimate of the flow.
24. If any of the drill holes encounter artesian groundwater flow, the District Ranger must be notified prior to plugging the hole to determine whether or not the Forest Service would elect to establish a permanent water development at the site.
25. All drill holes must be plugged in accordance with Federal and State regulations.
26. The operator must clean up and remove all drilling equipment, trash, garbage, flagging, vehicles and other such materials from National Forest System lands.
27. Disturbed areas must be reclaimed by the end of the field season. Exceptions require Forest Service approval.
28. The project, including reclamation is to be completed in one field season. The road to EM-149 should be completed first and the drilling started at EM-149. This will allow reclamation to start as soon as the first hole is completed and continue as each new hole is finished. Top soil from the temporary access roads to sites EM-149, 150, 152 to 154 should be stripped and piled above the roads. These temporary roads will be recontoured by using the existing fill material available, then retopsoiled. All holes should be drilled, reclamation completed and access adequately blocked by the opening day of the general elk hunt. If additional time is needed the Forest Service should be advised so the permit can be amended.
29. Drill rigs and heavy equipment (not including water trucks) must not be transported in or out of the East Mountain area during the opening of the

general elk hunt nor during the opening weekend of the general deer hunt and during holiday weekends. The water truck must be preceded by a pilot vehicle when hauling water for the project during the hunting season.

30. Contaminated soil and gravel must be stripped and hauled off Forest prior to site reclamation.
31. Mud pits must be allowed to dry or pumped before they are backfilled and reclaimed. If pumped, fluids will be disposed off Forest, at a Utah State approved site. They must be enclosed by a 4-strand barbed wire fence while they are left to dry.
32. Drill sites, roads to be obliterated, and mud pits when they are dry, must be reclaimed by selectively backfilling excavated materials, topsoil last, such that the disturbed area is replaced to approximate original contour. The disturbed area must be seeded with the specified seed mix.
33. Upon completion of the project, compacted soils must be scarified and seeded with the specified seed mix.
34. All disturbed drainages must be replaced to their approximate original configuration when the project area is reclaimed.
35. The reclaimed roads must be signed and blocked off to discourage vehicle access by the public.
36. Reclamation efforts will be diligently pursued to insure that a minimum ground cover is established on all disturbed areas which is equal to or greater than the surrounding undisturbed areas.
37. Seeding will be done with the following certified seed mix:

Name	Scientific Name	Lbs./acre (PLS)
Intermediate Wheatgrass	Agropyron intermedium	2
Slender Wheatgrass	Agropyron trachycaulum	2
Western Wheatgrass	Agropyron smithii	2
Blue Bunch Wheatgrass	Agropyron spicatum	1
Perennial Ryegrass	Lolium perenne	1
Ladak Alfalfa	Medicago sativa ladak	1
Blue Aster	Aster glaucodes	0.25
Northern Sweet Vetch	Hedysarum boreale	0.50
TOTAL		9.75 lbs./acre

This seed mixture must be 99 percent pure live seed containing a maximum of 1% weeds none of which are noxious.

38. The operator will be held responsible for control of noxious weed infestations found to be a result of this drilling operation.
39. Timber removed during the project that meets sawlog utilization standards (minimum 8 inch diameter, 8 feet long, and 33 1/3 % sound) will be removed from the area by the permittee. Timber not meeting sawlog utilization standards but which is suitable for fuelwood will be cut into four foot lengths and decked at a location that is accessible to the public.
40. Outside berms will not be constructed on any roads.
41. **Stipulation for Lands of the National Forest System Under Jurisdiction of the Department of Agriculture.**

The licensee/permittee/lessee must comply with all the rules and regulations of the Secretary of Agriculture set forth at Title 36, Chapter II, of the Code of Federal Regulations governing the use and management of the National Forest System (NFS) when not inconsistent with the rights and regulations must be complied with for (1) all use and occupancy of the NFS prior to approval of a permit/operation plan by the Secretary of the Interior, (2) uses of all existing improvements, such as Forest Development Roads, within and outside the area licensed, permitted or leased by the Secretary of the Interior, and (3) use and occupancy of the NFS not authorized by a permit/operating plan approved by the Secretary of the Interior.

All matters related to this stipulation are to be addressed

to: Forest Supervisor

at: Manti-La Sal National Forest
599 West Price River Drive
Price, Utah 84501

Telephone No. (801) 637-2817

who is the authorized representative of the Secretary of Agriculture.

42. Prior to commencing operations, Energy West will contact and coordinate with the Livestock Permittees- Lee McElphrang (cattle) 687-2236, John Larson (sheep) at 435-462-0223 and/or Justin Hammon (sheep) at 435-462-9217.

Stipulations to be Included in the Road Use Permit

- 43. Roads must not be used when they are wet and susceptible to damage.
- 44. The permittee is responsible for repair of any damages to roads which are caused by his operations.
- 45. All traffic must maintain safe speeds commensurate with existing conditions.
- 46. Roads must be watered if dust becomes a problem or if excessive loss of road material occurs.